

**COMMISSION ON FACULTY COMPENSATION AND ECONOMIC BENEFITS
ANNUAL REPORT FOR 2000-2001**

The Commission on Faculty Compensation and Economic Benefits is charged to study faculty economic needs and state and university policies that govern compensation and fringe benefits. The commission reports to the faculty and may make recommendations to the Faculty Senate or other university groups. The commission met six times in 2000 - 2001. The primary topic taken on this year by the commission was a self-study whose goal was to assist the commission to be more effective within the faculty governance structure of the university. To that end we offer, within the body of this report, a series of recommendations.

During this academic year, the commission met with representatives of its academic staff counterpart committee to discuss domestic partner benefits. The commission also obtained data on current faculty salaries and data for the past decade on the compensation relative to peer institutions. Some information relates to the issue of salary compression. Both topics may be viewed as studies in progress and are items on the commission agenda for 2001-2.

I. SELF STUDY

The academic year for the commission began on a less than auspicious note, with members questioning its mission and expressing doubts about the commission's effectiveness. The outcome was a decision to look more closely at the past record and current practices of the commission. For this self study, the commission reviewed annual reports of the committee over the past 10 years. In addition, former commission members were contacted and invited to tell us about their experiences.

Further details on these two efforts are provided in an appendix to this report. Here, we offer conclusions and recommendations.

Conclusions

To its credit, the commission has, each year, invested significant effort to do what it is charged, that is, to study faculty economic needs and university policies governing compensation and fringe benefits. It has chosen topics to study that are clearly of high priority to the faculty. Although the dominant theme across the decade has been the level of compensation, other important and timely topics such as retirement, health care coverage, and gender equity have been agenda items. It is hard to disagree with the conclusions reached and the recommendations offered by past commissions.

The commission has two closely linked roles. Within the UW-Madison's form of faculty governance, the commission is designated to represent the faculty. It is also charged in FPP to "study" compensation issues. What the commission seems not to have at this time is the ability to effectively influence actions. Over 10 years, there is little evidence that the commission has had a significant impact on issues on which it has worked. This is clearly a major concern among current commission members. It is also expressed explicitly by many of the commission's past members.

The frustrations of past and present commission members are symptomatic of significant problems. It is hard to argue from information we have evaluated that the commission is effective or that the time invested has been worthwhile. On that basis one might question whether the commission should continue to exist. On the other hand, there is a clear sense that the faculty should have a way of being heard on important issues and specifically the faculty need to be heard on the issue of compensation and benefits. The commission takes the position that we should seek changes in the governance structure so that the commission can be more effective.

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Underlying the issue of effectiveness is, we think, the broader question of the effectiveness of faculty governance. We support the idea of faculty governance and its general structure (Faculty Senate, standing Chapter 6 committees including ours); but then the discussion must turn to whether the results match expectations. The opinion of the commission is that they do not. We express a strongly held feeling that the commission is not effective in its contact with its constituency. Nor have its studies had noticeable results. The role of the commission relative to the roles played by other groups that deal with budgetary matters is far from clear. Because we suspect that these observations are symptomatic of a larger issue, we recommend that this point be taken up by the University Committee.

Recommendations

1. The commission recommends that the University Committee set up an ad hoc committee in 2001-2002 to study the functioning of the commission with the explicit charge to determine whether the commission's role in the current governance structure is effective and to make suggestions for changes if this is deemed appropriate.
2. The following list of specific recommendations for the commission is offered to help focus the study outlined in recommendation #1. Although phrased in rather general terms, they spell out specific frustrations that are widely felt.
 - a. The tasks and responsibilities of the commission must be defined more clearly. (Is the commission's only role to "study" issues? What can the commission bring into such a study that would make its contribution unique and valuable?)
 - b. Before undertaking a study, the commission should have a clear sense that its actions can have an impact. (Among other things, the commission's agenda should coincide with the agenda of the University Committee and the commission's work should not duplicate activities better performed by other groups.)
 - c. The commission needs to know how it can maximize its influence. (For the past 10 years, the commission has communicated by way of reports and recommendations to the Faculty Senate; as far as we can tell, little of consequence has resulted.)
 - d. Links between the commission and other groups that work on similar issues must be established and, in addition, existing links must be strengthened. (There is a representative from the commission on the Budget Planning and Analysis Joint Subcommittee--but there is little coordination in activities.)
 - e. When needed, resources should be made available to the committee. (The commission tried unsuccessfully to find out whether it could get support to survey faculty opinion or to report on issues or proposed actions of the commission to its constituency, the faculty.)
 - f. It would be useful if the commission had better records on past activities. (This year, the University Committee suggested that the commission look at salary compression. This was a topic that received attention in 1996. Were it not for our review of past reports, we would not have known this.)

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2. COMPENSATION ISSUES

Salary data for faculty at UW-Madison and its official peer group were obtained from the UW-Madison Office of Budget Planning and Analysis and are provided in the table at the end of this report (page 6). Favorable compensation packages in the past biennium have allowed Madison to improve its relative position among peer institutions. This is particularly notable at the assistant and associate professor levels where salaries are currently above peer averages by 6% and 7.3% respectively. At the full professor level, however, UW-Madison is still below its peer group average by 3.6%. The overall average (the average of salaries at all three levels) is below the peer average by 0.5%.

A graph of average faculty salary by rank over the past 10 year period is given on page 7. It shows the average salary for full professors has been consistently near the bottom of the peer group for the decade.

Considering the relative stature of UW Madison, it could easily be argued that salaries here should be better than the average. We defer any discussion of that issue, however, in favor of matters of even greater concern. All evidence at this time suggests that UW-Madison should expect several relatively lean years in the coming biennium. If this comes to pass, then we may also assume that there will be a continuation of a pattern that has been a serious concern to the faculty (and to this commission). This is the pattern of decline in salary levels over a multiple year period relative to the peer group, followed by several years in which efforts to catch up are made, only then to return to another period of decline. This pattern is seen clearly in the second graph in this report (page 8) in which the salary deficit for the faculty since 1973 is portrayed as the percent increase that would have been needed to bring UW-Madison salaries to the average. Over the 28 year period spanned in this graph, the UW-Madison salary average has been lower than its peer average every year but one. Overall, this deficit has given UW-Madison faculty an approximate 5% overall deficit relative to peer group.

Presumably, salary changes at the entry levels are closely tied to market factors. The poorer ranking of professor salaries relative to salaries at the assistant and associate professor levels suggests the likelihood of salary compression. Past commissions have pointed to this as an issue of concern. While more information is needed, this is seen as an emerging problem that belongs on the agenda of the commission.

The commission offers two general recommendations in the compensation area:

Recommendations

1. To avoid the past pattern of one-time salary catch-up followed by years of erosion, the commission recommends that, in order to remain competitive, compensation must be maintained at a level at least equal to the median of our peer institutions.
2. The commission recommends that special attention be paid to salary compression at the full professor level and that some kind of extra compensation solution be found.

FUTURE DIRECTIONS

The commission expresses interest in the issue of salary compression and will include this item on its agenda for next year. Although the commission looked briefly at domestic partner benefits during the past year, it took no action so this also remains as a possible topic for the future. In addition, the commission is particularly interested in the response that might be forthcoming from the University Committee on its self study and their recommendations as to ways to make the commission more effective.

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Respectfully submitted,

2000-2001 Commission on Faculty Compensation and Economic Benefits

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Appendix 1. Self Study

We report here on two specific activities pertaining to this report. The first was a review of annual reports of the committee over the past 10 years, the second a summary of information obtained in a survey of former commission members.

Annual Reports: The Commission on Faculty Compensation and Economic Benefits, a Chapter 6 committee with elected faculty membership, came into existence when the university transitioned from open faculty meetings to a representative form of faculty governance. The commission has been in existence for over 10 years and each year has prepared and submitted an annual report on its activities to the Faculty Senate.

Over the past decade, faculty salary levels have occupied much of the commission's attention. In 6 out of 10 years, the commission reported on the generally unfavorable overall salary picture: poor raises, ineffective catch-up, coupling/decoupling salaries from other state salaries. In addition, several specific issues related to salary levels were studied by the commission including a step system, salary compression, gender equity, health benefits, and the retirement benefits. The commission was especially active in the early to mid '90s. In that time period, subcommittees were set up to study specific issues, a survey was carried out (in 1992), and the committee conducted focus groups for the faculty on a step system proposal (in 1991).

Annual reports submitted to the Faculty Senate were primarily an expression of opinions, overviews, and concerns. In several reports, recommendations were made to the University Committee but these tended to be of a general nature, in the manner of "something needs to be done" In most years, data on salaries were obtained from the administration and attached to the annual report. Lacking was evidence that the commission report or recommendations influenced specific action or that it had any effect on the decision making.

Survey of Past Commission Members: The survey of former commission members was enlightening, to say the least. Almost 3/4th of the former members contacted (17/25) responded, and most expressed strong opinions. From these responses we have been able to formulate a clearer picture of past activities of the commission. There have been serious problems: a lack of clarity of mission, the absence of resources, and a directive that apparently gives the commission little if any authority. Despite a serious commitment of past commission members, and significant time spent, there is among past members the strong perception that the commission has little to show for its efforts.

The general tenor of the comments was, without question, quite negative. Only three spoke favorably about the commission and two were neutral, while nine responses came out strongly negative. It was a "numbing experience" according to one respondent, "a total waste of time" said another. The terms "passive tradition" and "no real recommending power" appeared from other responses. One member said, "I do not recall a single instance where it (the commission) seemed to have mattered." The favorable comments were more "in principle" than "in practice". One respondent said that the value of the commission is "...to show the administration we are watching." Another said, "this is the voice of the faculty, the place where faculty issues can be discussed,"

Equally significant was the analysis provided. One respondent said that PROFS and the Budget Planning and Analysis Joint Subcommittee had largely taken over the roles assigned to the commission: "... time and circumstance have largely passed the commission by." said one, "PROFS and the University Committee have preempted the commission's mission" said another. A third spoke of an impression that the committee existed to give the faculty a sense that faculty governance was real. A fourth said that the administration refused to provide assistance except when it served the goals of the administration.